



Trade with Colombia Supports U.S. Interests

The Council of the Americas appreciates the opportunity to provide a statement for the record concerning the pending free trade agreement between the United States and Colombia. The Council is a business organization representing almost 200 member companies invested in and doing business throughout the Western Hemisphere. Since our founding in 1965, the Council has been dedicated to the promotion of democracy, open markets, and economic and social development based on the rule of law, and we are widely recognized for our policy and commercial leadership throughout the Americas.

As we have testified on multiple occasions, the Council strongly supports the U.S.-Colombia Free Trade Agreement and urges the Obama Administration to submit it for congressional consideration as swiftly as possible.

The case for urgency is simple: the longer the U.S. delays, the larger market share U.S. producers lose, as global competitors fill the void. While the agreement awaits ratification more than four years after signature, U.S. exporters continue to face high tariffs in a crucial foreign market. In the meantime, Canada, China, and other countries have rapidly increased exports to Colombia, and U.S. market share has declined.

We are particularly concerned that a free trade agreement between Colombia and Canada, to enter into force on July 1, 2011, will disadvantage U.S. agricultural and other exporters. For example, U.S. wheat producers estimate that the U.S. share of the Colombian wheat import market could fall from about 70 percent to 30 percent due to the Canadian-Colombian agreement. In addition, Colombia has implemented a trade agreement with the MERCOSUR countries, including Argentina and Brazil, causing key U.S. agricultural exports to Colombia to decrease significantly.

The geopolitical arguments are even more compelling. Passage of the trade agreement would solidify the close partnership between the United States and Colombia, avoiding the risk of alienating a valuable ally in a strategically important region where U.S. allies are scarce. Regional observers rightly ask about the benefits of friendship with the United States when arguably our closest friend in South America has difficulty concluding a straightforward agreement on trade. Moreover, Colombia has witnessed progress as a nation on all fronts—on respect for human rights, reduction of violence against union leaders, and economic and social development. Since the August 2010 inauguration of President Juan Manuel Santos, progress has accelerated.

Business leaders, trade associations, economists, think tanks, and U.S. exporters all support the idea of building U.S. competitiveness through free trade with an important ally. The Council of the Americas joins them in calling on the Administration and Congress to act now on the pending agreement with Colombia.

